



## BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – MBA-2024

Course Name – Financial Markets and Services

Course Code - MBA20109

( Semester II )

Library  
Brainware University  
398, Ramkrishnapur Road, Barasat  
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

### Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Select which of the following is an example of financial intermediation.
  - a) Direct lending between individuals
  - b) Depositing money in a bank
  - c) Purchasing goods on credit
  - d) Government subsidies
- (ii) Choose the function of Non-Banking Financial Companies (NBFCs).
  - a) Accepting demand deposits
  - b) Providing banking licenses
  - c) Offering loans and financial services
  - d) Printing currency
- (iii) Identify the financial regulator responsible for capital markets in India.
  - a) RBI
  - b) SEBI
  - c) IRDAI
  - d) SIDBI
- (iv) Classify the instruments of the Indian money market.
  - a) Treasury Bills, Commercial Papers, and Certificates of Deposit
  - b) Equity Shares and Debentures
  - c) Real Estate and Commodities
  - d) Mutual Funds and SIPs
- (v) Classify the difference between the money market and the capital market.
  - a) Money market deals with long-term funds, capital market deals with short-term funds
  - b) Money market deals with short-term funds, capital market deals with long-term funds
  - c) Both are the same
  - d) Only money market is regulated by SEBI
- (vi) Explain the purpose of Certificates of Deposit (CDs).
  - a) Used for long-term investment
  - b) Issued by banks for short-term fund raising
  - c) Issued by RBI for currency control
  - d) Used only by government institutions
- (vii) State how SEBI ensures fair trading practices in stock exchanges.

- a) By enforcing regulations, promoting transparency, and monitoring trading activities  
b) By setting stock prices daily
- c) By controlling interest rates  
d) By limiting retail participation
- (viii) Apply the role of merchant banks in the capital market.  
a) Assisting in IPOs, FPOs, and private placements  
b) Controlling monetary policy
- c) Regulating foreign exchange rates  
d) Managing retail banking operations
- (ix) Choose the key function of merchant banking in issue management.  
a) Underwriting and managing public issues  
b) Providing savings accounts
- c) Issuing government bonds  
d) Controlling inflation
- (x) Discover the correct sequence of activities in issue management.  
a) Drafting offer documents, SEBI approval, public subscription, allotment of securities  
b) Direct allotment to investors, SEBI approval, public subscription
- c) Public subscription, SEBI approval, drafting offer documents  
d) Issuing bonds, regulating forex, controlling monetary policy
- (xi) Identify the underwriting method where the underwriter purchases the entire issue.  
a) Firm commitment underwriting  
b) Best effort underwriting
- c) Partial underwriting  
d) No underwriting
- (xii) Examine the role of SEBI in the depository system. Which of the following is correct?  
a) SEBI directly transfers shares to investors  
b) SEBI acts as the regulatory body ensuring compliance in the depository system
- c) SEBI functions as a depository participant  
d) SEBI issues bonds to investors
- (xiii) Distinguish between a depository and a depository participant.  
a) A depository directly interacts with investors, while a DP acts as an intermediary  
b) Both serve the same function
- c) A DP provides banking services, while a depository does not  
d) Depositories only deal with government bonds
- (xiv) Analyze the benefits of holding securities in a depository system. Which of the following is not a benefit?  
a) Elimination of physical certificates  
b) Faster settlement of trades
- c) Increased risk of loss and theft  
d) Reduced paperwork and transaction costs
- (xv) Which of the following is an example of consumer credit?  
a) Paying for a car in installments  
b) Buying government bonds
- c) Investing in real estate  
d) Trading in foreign exchange

### Group-B

(Short Answer Type Questions)

3 x 5=15

2. State the role of financial markets in the economic development of India. (3)
3. Describe the key instruments of the money market. (3)
4. Illustrate the key services provided by merchant bankers in an offer document. (3)
5. Judge the different types of leasing. (3)
6. Analyze the role of depositories in the Indian financial system. (3)

OR

- Illustrate how credit rating agencies impact corporate bond markets. (3)

### Group-C

7. Illustrate the role of money market instruments in economic stability. (5)
8. Analyze the role of merchant banking services in capital market operations. (5)
9. Assess the impact of effective issue management on market stability. (5)
10. Illustrate book-building and its process in the primary market. (5)
11. Determine the role of the depository system in India's financial markets. (5)
12. Evaluate the process of stock broking services and explain its importance. (5)

OR

Analyse the significance of portfolio management services (PMS) for investors. (5)

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